GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1959
ANSWERED ON:03.08.2001
FUNDS FOR PANCHAYATI RAJ INSTITUTIONS
RAJO SINGH

Will the Minister of FINANCE be pleased to state:

(a) the funds recommended by the Tenth Finance Commission to Bihar State for the Panchayati Raj Institutions;

(b) the funds released by the Union Government to Bihar for the purpose so far;

(c) whether full amount has not been released to Bihar;

(d) if so, the details thereof and the reasons therefor;

(e) whether the Union Government are likely to release the remaining amount;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

Answer

THE MINISTRY OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

(a) to (g) The Tenth Finance Commission (TFC) has recommended total grants of Rs.507.19 croretoBiharforPanchyatiRaj Institutions (PRIs) for the period 1996-97 to 1999-2000. PRIgrants amounting to Rs. 126.80 crore had been released to the State Government during 1996-97. As per the guidelines issued by Ministry of Finance, the Local Body Grants recommended bythe TFC was part of a larger Constitutional scheme of devolution of functions and responsibilities from the State to local bodies with mandatory elections so that they could function as effective units of local self-Government. Hence, the grants were to be released only in respect of elected local bodies wherever such elections were mandatory under the Constitution. Since the due elections to PRIs in Bihar had not been held during the TFC period 1995-2000, balance of TFC grants couid not be released to the State Government.Entitlements to grants recommended by any Finance Commission lapse after the period of its recommendations get over.